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Dallas, TX 75201-2822

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WASH. UT. & TP. COMM

08/06/2012

Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

RI 47110
RECORDS MANAGEMENT
2012 AUG 10 PM 2:00
STATE OF
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To Whom It May Concern,

Quality Telephone, Inc. received a notice on August 6th, 2012 from the Washington Utilities and Transportation Commission assessing a penalty in the amount of \$1,050 for untimely filings of annual reports dated August 1st, 2012.

We were given 15 days to respond to the notice. We would like to request that the penalty be mitigated. Currently Quality Telephone, Inc. has no customers in the State of Washington and is planning on having our license surrendered prior to the end of this year. Our last customer line was disconnected in October of 2011.

Over the past four years Quality Telephone, Inc. has had no obligation to pay after completing the Regulatory Fee Calculation Schedule due to a very small customer base in the Washington market. This being said a \$1,050 fine on a zero dollar obligation seems a bit unjust.

Respectfully Submitted,

Jeremy Reed
Regulatory Analyst
Quality Telephone, Inc.
O: (241) 884-1725
F: (972) 546-9991
regulatory@qtelephone.com

SERVICE DATE

AUG - 1 2012

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

NOTICE OF PENALTIES INCURRED AND DUE FOR VIOLATIONS OF LAWS AND RULES

PENALTY ASSESSMENT: UT-121003

PENALTY AMOUNT: \$1,050

Quality Telephone, Inc.
600 N. Pearl St., Suite S104
Dallas, TX 75201

According to the Commission's records, you have committed a violation of Commission rule: Washington Administrative Code (WAC) 480-120-382, which requires competitively classified telecommunications companies to file annual reports with the Commission by May 1 each year and pay regulatory fees annually on that date. You are classified as a telecommunication company. Commission records show that you did not file an annual report or pay annual regulatory fees by May 1, 2012.

Revised Code of Washington (RCW) 81.04.405 authorizes the Commission to assess penalties of \$100 for violations of Commission rules. Each and every such violation shall be a separate and distinct offense and, in the case of a continuing violation, every day's continuance shall be deemed to be a separate and distinct violation. The Commission interprets noncompliance with WAC 480-120-382 as continuing violations, giving rise to penalties of \$100 for each day a company fails to make each requisite filing after the date on which it was due.

As a result, the Commission hereby notifies you that it has assessed penalties against you in an amount \$1,050 on the following basis:

On February 29, 2012, the Commission mailed 2011 Annual Report forms and 2012 Regulatory Fee packets to all telecommunication companies registered in Washington state. A letter from the commission's Executive Secretary David W. Danner, instructed these companies to file annual reports and pay regulatory fees by May 1, 2012. The letter stated failure to file the annual report by May 1 would result in a penalty and possible cancellation of the company's permit to operate in Washington. Those companies wishing to request an extension to file the annual report were asked to do so prior to April 24, providing a reason for the requested extension. You did not request an extension.

Quality Telephone, Inc. filed its annual report on May 21, 2012, which is 14 business days past the deadline of May 1. The penalty was mitigated from \$100 per day to \$25 per day for a total of \$350. Quality Telephone, Inc. also received penalties for failing to file annual reports by the deadline in 2008 and 2009. The

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prior penalties increase the 2011 penalty by an additional \$50 per day for a total of \$700.

Your penalty is due and payable now. If you believe the violation did not occur, you may request a hearing to contest the penalty assessment. If there is a reason for the violation that you think should excuse you from the penalty, you may ask for mitigation (reduction) of this penalty. See RCW 81.04.405.

You have the right to present your request for review or further mitigation at a hearing, but you are not required to do so. If you do, the Commission will review the evidence supporting your request in an informal hearing, called a Brief Adjudicative Proceeding, before an administrative law judge. The administrative law judge will consider your plea and notify you of his or her decision.

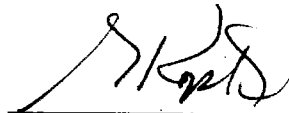
You must act within 15 days after receiving this notice to do one of the following:

- Pay the amount due.
- Request a hearing to contest the occurrence of the violations.
- Request mitigation to contest the amount of the penalty.

Please indicate your selection on the enclosed form and send it to the Washington Utilities and Transportation Commission, Post Office Box 47250, Olympia, Washington 98504-7250, **within FIFTEEN (15) days** after you receive this notice.

If you do not act within 15 days, the Commission may refer this matter to the Office of the Attorney General for collection. The Commission will then sue you to collect the penalty.

DATED at Olympia, Washington, and effective August 1, 2012.



GREGORY J. KOPTA
Administrative Law Judge

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
PENALTY ASSESSMENT UT-121003

PLEASE NOTE: You must complete and sign this document, and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed.

I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

1. **Payment of penalty.** I admit that the violations occurred. I have:

Enclosed \$1,050 in payment of the penalty

Submitted my payment of \$1,050 online at www.utc.wa.gov. My confirmation number is _____.

2. **Request for a hearing.** I believe that one or more of the alleged violations did not occur, based on the following information, and request a hearing, which is a process that allows an affected person to present argument to an administrative law judge for a decision by an administrative law judge:

3. **Application for mitigation.** I admit the violations, but I believe that the penalty should be reduced for the reason(s) set out below.

NO OBLIGATION DUE IN THE LAST FOUR FILING YEARS.

a) I ask for a hearing for a decision by an administrative law judge based on the information presented above.

OR b) I waive a hearing and ask for an administrative decision on the information I present directly above.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: 08/06/2012 [month/day/year], at DALLAS, TX [city, state]

QUALITY TELEPHONE, INC.
Name of Respondent (company) – please print

Jerry Reed
Signature of Applicant

RCW 9A.72.020:

“Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor’s mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony.”

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PROPERTY MANAGER
2012 AUG 10 PM 3:00
STATE OF WASHINGTON
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